



**United States Attorney's Office
Eastern District of Michigan**

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PRESS RELEASE

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BLOOMFIELD HILLS INVESTMENT COMPANY OWNER PLEADS GUILTY TO INSURANCE FRAUD

A 46-year-old former Birmingham, Michigan, investment business owner pleaded guilty yesterday to insurance fraud, U.S. Attorney Barbara L. McQuade announced today.

Pleading guilty before U.S. District Judge Robert H. Cleland was Scott Earl Wolkhamer, formerly of Plymouth, Michigan.

Wolkhamer, doing business as Oxford Investments, fraudulently misappropriated more than \$900,000 from Gmul Sahar Financial Instruments, an Israeli corporation. Wolkhamer had promised to provide clerical services for Gmul's portfolio of insurance policies. These services included mailing Gmul's insurance policy premium payments to various insurance companies and processing the death benefit payments received on those policies by mailing them to Gmul's bank in Los Angeles, California. From November 2005 to August 2007, defendant Wolkhamer fraudulently endorsed Gmul's premium payment checks to insurance companies and various insurance companies' death benefit checks payable to Gmul. Wolkhamer then deposited these premium

payment and death benefit checks into accounts in the name of PSK Enterprises, LLC. Wolkhamer then withdrew the funds and used part of them to finance an adult video business he was trying to develop in Las Vegas, Nevada.

As a result of defendant's misappropriation, Gmul suffered a loss of over \$900,000 for which it was reimbursed \$515,000 from Charter One Bank as a settlement for the bank's omission in preventing Wolkhamer's deposits of Gmul's premium payment checks into the non-related bank accounts.

The charge of conviction carries a maximum sentence of 10 years imprisonment and a \$250,000 fine. Wolkhamer's sentencing is scheduled for October 26, 2010 at 2 p.m.